JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
David C. Hollister, Director

LINDA A. WATTERS
COMMISSIONER

May 16, 2005

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Room 3060
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

SUBJECT: Petition for Rulemaking to Preempt Certain State Laws

Dear Mr. Feldman:

I wish to thank the FDIC for providing a forum for discussion that will elevate public awareness of the important issues that engendered the above-referenced petition submitted by the Financial Services Roundtable.

As Commissioner of Financial and Insurance Services for the State of Michigan, it is important to me that banks that choose my state's charter have the opportunity to compete on a nondiscriminatory basis with banks that choose a national charter. Over-reaching rules promulgated by the Office of the Comptroller of the Currency have created disparate treatment of state-chartered banks, especially disadvantaging state banks that conduct business in multiple states. The petition submitted by the Financial Services Roundtable seeks to remedy this disparity by encouraging FDIC to adopt rules that would preempt certain state laws.

My agency presently is pursuing in the courts recognition of the applicability of my state's law to subsidiaries of national banks (*Wachovia v. Watters*). However, the issues underlying the subject petition by the Financial Services Roundtable are of such broad scope and have such significant implications for the financial services sector that they warrant a more comprehensive review by Congress.

I appreciate the opportunity to share my concerns about the issues presented by the Financial Services Roundtable. If you have questions regarding this letter or require further information, please contact Chief Deputy Commissioner Richard D. Lavolette at 1-877-999-6442.

Sincerely,

Linda A Watters
Commissioner

cc: CSBS, Congressional staffs, MBA, MACB